

ESHB 2680 - S COMM AMD
By Committee on Ways & Means

ADOPTED 03/03/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 41.32 RCW
4 under the subchapter heading "plan 2" to read as follows:

5 (1) An active member who has completed a minimum of five years of
6 creditable service in the teachers' retirement system may, upon written
7 application to the department, make a one-time purchase of up to seven
8 years of service credit for public education experience outside the
9 Washington state retirement system, subject to the following
10 limitations:

11 (a) The public education experience being claimed must have been
12 performed as a teacher in a public school in another state or with the
13 federal government; and

14 (b) The public education experience being claimed must have been
15 covered by a retirement or pension plan provided by a state or
16 political subdivision of a state, or by the federal government; and

17 (c) The member is not currently receiving a benefit or currently
18 eligible to receive an unreduced retirement benefit from a retirement
19 or pension plan of a state or political subdivision of a state or the
20 federal government that includes the service credit to be purchased.

21 (2) The service credit purchased shall be membership service, and
22 may be used to qualify the member for retirement.

23 (3) The member shall pay the actuarial value of the resulting
24 increase in the member's benefit calculated in a manner consistent with
25 the department's method for calculating payments for reestablishing
26 service credit under RCW 41.50.165.

27 (4) The member may pay all or part of the cost of the service
28 credit to be purchased with a lump sum payment, eligible rollover,
29 direct rollover, or trustee-to-trustee transfer from an eligible
30 retirement plan. The department shall adopt rules to ensure that all

1 lump sum payments, rollovers, and transfers comply with the
2 requirements of the internal revenue code and regulations adopted by
3 the internal revenue service. The rules adopted by the department may
4 condition the acceptance of a rollover or transfer from another plan on
5 the receipt of information necessary to enable the department to
6 determine the eligibility of any transferred funds for tax-free
7 rollover treatment or other treatment under federal income tax law.

8 (5) The employer also may pay all or a portion of the member's cost
9 of the service credit purchased under this section.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.32 RCW
11 under the subchapter heading "plan 3" to read as follows:

12 (1) An active member who has completed a minimum of five years of
13 creditable service in the teachers' retirement system may, upon written
14 application to the department, make a one-time purchase of up to seven
15 years of service credit for public education experience outside the
16 Washington state retirement system, subject to the following
17 limitations:

18 (a) The public education experience being claimed must have been
19 performed as a teacher in a public school in another state or with the
20 federal government;

21 (b) The public education experience being claimed must have been
22 covered by a retirement or pension plan provided by a state or
23 political subdivision of a state, or by the federal government; and

24 (c) The member is not currently receiving a benefit or currently
25 eligible to receive an unreduced retirement benefit from a retirement
26 or pension plan of a state or political subdivision of a state or the
27 federal government that includes the service credit to be purchased.

28 (2) The service credit purchased shall be membership service, and
29 may be used to qualify the member for retirement.

30 (3) The member shall pay the actuarial value of the resulting
31 increase in the member's benefit calculated in a manner consistent with
32 the department's method for calculating payments for reestablishing
33 service credit under RCW 41.50.165.

34 (4) The member may pay all or part of the cost of the service
35 credit to be purchased with a lump sum payment, eligible rollover,
36 direct rollover, or trustee-to-trustee transfer from an eligible
37 retirement plan. The department shall adopt rules to ensure that all

1 lump sum payments, rollovers, and transfers comply with the
2 requirements of the internal revenue code and regulations adopted by
3 the internal revenue service. The rules adopted by the department may
4 condition the acceptance of a rollover or transfer from another plan on
5 the receipt of information necessary to enable the department to
6 determine the eligibility of any transferred funds for tax-free
7 rollover treatment or other treatment under federal income tax law.

8 (5) The employer also may pay all or a portion of the member's cost
9 of the service credit purchased under this section.

10 **Sec. 3.** RCW 41.32.065 and 1991 c 278 s 1 are each amended to read
11 as follows:

12 A member who has not purchased service credit under the provisions
13 of section 1 or 2 of this act may elect under this section to apply
14 service credit earned in an out-of-state retirement system that covers
15 teachers in public schools solely for the purpose of determining the
16 time at which the member may retire. The benefit shall be actuarially
17 reduced to recognize the difference between the age a member would have
18 first been able to retire based on service in the state of Washington
19 and the member's retirement age.

20 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2007."

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21 On page 1, line 4 of the title, after "government;" strike the
22 remainder of the title and insert "amending RCW 41.32.065; adding new
23 sections to chapter 41.32 RCW; and providing an effective date."

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